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15 JUL 1970

MEMORANDUM FOR: Chief, Benefits and Services Division
SUBJECT : Annual Report - Fiscal Year 1970

Attached is a narrative and financial report for the activities of the "EAA Store", for the periods 1 July 1969 - 30 June 1970, together with a look at our future plans.

SIGNED


Special Services Officer

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Attachment

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GROUP 1
Excluded from automatic
downgrading and
declassification

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EMPLOYEE ACTIVITY ASSOCIATION
BALANCE SHEET
30 June 1970

ASSETS

Cash		
Checking Account	\$33,181.89	
Change Funds	475.00	
Savings Account	369.31	
FNMA Investments	<u>39,793.75</u>	\$ 73,819.95
Trust Acct. - CIA CEAF*		66,138.62
Accounts Receivable		17,743.19
Inventories		
Merchandise on Hand	23,781.09	
Tickets on Hand	<u>4,422.00</u>	28,203.09
Equipment	6,344.42	
Less Accumulated Depreciation	<u>- 1,401.38</u>	4,943.04
Accrued Interest on Savings & Investments		613.30
Prepaid Expenses		<u>408.18</u>
TOTAL ASSETS		<u>\$191,869.37</u>

LIABILITIES AND NET WORTH

Accounts Payable		
Merchandise Purchases	\$14,136.40	
Ticket Sales	7,951.84	
Club Activities	<u>1,523.50</u>	\$ 23,611.74
Taxes Payable		1,600.21
Deposits on Special Orders		1,813.43
Due Agency - Exercise Room Income (net)		128.68
Accrued Expenses		10,880.39
Trust Account - CIA CEAF*		<u>66,138.62</u>
TOTAL LIABILITIES		\$104,173.07
Net Worth		
EAA Fund Balance 31 December 1969	\$87,243.46	
Net Income Over Expenses 1 Jan - 30 June 1970	<u>452.84</u>	
TOTAL NET WORTH		87,696.30
TOTAL LIABILITIES & NET WORTH	SECRET	<u>\$191,869.37</u>

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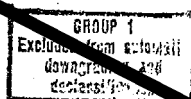
EMPLOYEE ACTIVITY ASSOCIATION

Membership Status as of 30 June 1970

	<u>Sponsors</u>	<u>Patrons</u>	<u>Annual</u>	<u>Total</u>
Previous totals - 31 Dec 1969	192	193		
Sold 1 Jan thru 30 Jun 1970	1	20		25X9A2
Expired 1 Jan thru 30 Jun 1970	-	-		
Totals as of 30 June 1970	<u>193</u>	<u>213</u>		

*Central Employees Activity Fund

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STATEMENT OF INCOME AND EXPENSE
For the Six Months Ended 30 June 1970

INCOME - STORE

Merchandise Sales		\$144,751.01	
Beginning Inventory	\$ 23,911.35		
Purchases	121,314.93		
Transportation Costs on Mdse Purchases	355.24		
Mdse available for sale	\$145,581.52		
Ending Inventory	23,781.09		
Cost of Merchandise Sold		\$121,800.43	
Gross Profit on Merchandise Sold			\$22,950.58
Add Discounts on Mdse Purchased		3,225.47	
Dealers' Discount on Va. Sales Tax		179.43	3,404.90
Gross Profit on Sales			26,355.48
Other Income (Pro-rated to Store) Percent			
Membership dues	33 1/3%	1,789.00	
Int. on bank & other accts	33 1/3%	444.02	2,233.02
Gross Income from Store Operations			28,588.60

EXPENSES - Pro-rated to Store Percent

Salaries (Contract \$6,372.79, Staff \$18,764.88) *		25,137.67	
Social Security Taxes	*	305.91	
Unemployment Taxes	*	194.34	
Insurance Expense (Amortized)	60%	233.78	
Depreciation on Equipment	100%	444.84	
Office Supplies & Misc. Expense	66 2/3%	299.97	
Telephone	33 1/3%	33.00	
Cash Short and (Over)	50%	15.76	
Total Expenses prorated to Store			26,665.27
Net Profit from Store Operations			1,923.23

OTHER EAA INCOME (Prorated) Percent

Membership Dues	66 2/3%	\$3,578.00	
Int. on Bank & Other Accts.	66 2/3%	888.05	
Barbershop	100%	1,896.53	
Gains on Employees Programs	100%	393.06	6,753.64
& Miscellaneous			

OTHER EAA EXPENSES (Prorated) Percent

Salaries (Contract only)	*	1,968.30	
Social Security Taxes	*	94.48	
Unemployment Taxes	*	60.03	
Insurance Expenses Amortized	40%	155.86	
Office Supplies & Misc.	33 1/3%	149.98	
Telephone	66 2/3%	66.00	
Cash Short and (Over)	50%	15.76	
Loss on Ticket Sales	100%	04	
Employee Programs	100%	5,715.58	8,226.03

Net Gain (Loss) from Other EAA Operations (1,470.39)

NET

*Prorated to Store: 60% of salaries paid to [REDACTED] and 100% of salaries paid to [REDACTED]

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15 July 1970

ACCOMPLISHMENTS FOR THIS PAST YEAR

A dramatic growth in patronage of the EAA store, completing its second year of full-time operation, is evidenced by the more than \$325,000 sales total for the year ending 31 December 1969. Figures for the first six months of 1970, as shown in the attached financial reports, forecast a continuing growth in the sale of merchandise. Some of the items sold include:

RCA, Black & Decker tools and lawn care equipment, television sets, stereo radios, phonographs, recorders, etc.

The entire Samsonite luggage line.

Spalding athletic goods and equipment.

Russell Stover and Swerzy candy, Hallmark cards.

Kidde fire extinguishers, Hamilton and Timex watches, Seth Thomas clocks, and SCM typewriters and adding machines.

Kodak, Kowa, and Poleroid cameras with film and pre-paid development service.

Cross pens and pencils and gift sets, phonograph records and tapes.

Oneida stainless steel products, Pyrex ware, Springfield weather instruments, and silver flatware.

Yale locks, Webcor sewing machines and West Bend products.

Water Pik, hair dryers, portable GE, Oster, and Hamilton Beach appliances, Farberware cookware, Toastmaster, Presto, Ronson, Sunbeam, and Waring appliances.

Due to the lack of space in the store, lawnmowers etc. are available through individual catalog orders, as are many of the above listed categories. Catalog buying is showing a marked increase due to the variety of items available.

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ACCOMPLISHMENTS (continued).

The experimental increase in store hours (10 a.m. to 4 p.m.) worked out well for the period 2 September thru 30 December 1969, but business slowed after that date and we returned to our current 10 a.m. to 3 p.m. We expect to return to the longer hours as the need develops.

Our new Catalog Order Department improved sales somewhat and relieved the pressure on the cash register clerk to a degree. Additional display shelves were received and improved the presentation of merchandise as well as provided more storage space.

Our new accounting system appears to be working smoothly, and a new system for conducting the quarterly inventory improved the accuracy to a marked degree over previous inventories. With the changes in the accounting system, it appears likely that we will not immediately need the inventory control attachment for the cash register.

We added new merchandise to the store including the Black and Decker line, Yale locks, Webcor sewing machines, and West Bend products. We phased out the Admiral radio/television line which relieved some confusion in the mind of the customer, and reduced the inventory of the Cross pen sets. Russell Stover and Swerzy candy products were sold out prior to the Christmas and Easter periods, as were the fruit cakes, Hallmark cards, pecans, and other seasonal items.

PLANS FOR 1971

We feel that an outside TV antenna will greatly increase sales of television sets since it will permit us to demonstrate what the RCA sets will really do. Many customers are reluctant to invest the amount required for a color set unless they see a satisfactory demonstration, and this is not possible under present circumstances.

Relocation and proper staffing of an improved Catalog Order Department appears to be in order, hopefully before the Christmas trade begins on November 1, 1970.

An increase in inventory authorization to \$60,000 accompanied by a greater storage facility would increase sales by making products immediately available for sale rather than the uncertain special order and wait system now in existence.


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LONG RANGE PLANS

Expansion of the sales area to permit division of the store into departments and specialization of clerks in departments such as a Camera Department/Watch Department, Housewares Department (Corning, Oneida, West Bend, and small appliances), Luggage-Radio-TV Department, etc., should increase business and permit better customer relationship.

Branch stores, particularly in the Rosslyn area, are needed to satisfy our members in that area, and a merchandise pickup area on one of the Agency loading docks would provide more efficient use of sales space and make it more convenient for the customer.


Special Services Officer

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